GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

STARRED QUESTION NO:295
ANSWERED ON:02.08.2002
QUANTITATIVE RESTRICTIONS ON PROCUREMENT OF FOODGRAINS
KAMBALAPADU E. KRISHNAMURTHY

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Union Government propose to introduce Quantitative Restrictions on Procurement of Foodgrains in the country;

(b) if so, the details thereof;

(c) whether a High Powered Committee has been constituted to evolve the facts;

(d) if so, the details of the findings of the Committee and its recommendations; and

(e) the reaction of the Government in this regard?

Answer

THE MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION(SHRI SHARAD YADAV)

(a),(b),(c),(d)&(e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a),(b),(c),(d)&(e) OF STARRED QUESTION NO.295 DUE FOR ANSWE 02-08-2002 IN THE LOK SABHA.

(a): No such proposal is under consideration of the Government at present.

(b): Does not arise.

(c),(d)&(e): The High Level Committee on Long Term Grain Policy has submitted its finalreport on 31.7.2002. The Committee has made the following major recommendations in regard to the procurement policy:

(i) The Minimum Support Prices (MSP) policy should continue with an immediate correctionIn recommending the MSP for foodgrains, the Commission for Agricultural Costs & Prices (CACP) should go strictly on the basis of C2 cost of production (i.e. all costs including the imputed costs of family labour, owned capital and rental on land) in more efficient regions. At this MSP, there should continue to be open ended procurement. The MSP should have statutory status.

(ii) The implementation of this revised MSP policy will require a compensation package to be given to the State Governments for compensating cultivators.

(iii) All compulsory levy orders on rice millers under the Essential Commodities Act should be removed and be replaced by Orders requiring mills to custom mill the paddy procured under the MSP.

The Government will take a view after examining the recommendations made by the Committee.